
DIGEST

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Stokes

HB No. 713

Abstract: Increases the tax on cigars, cigarettes, smoking tobacco, and smokeless tobacco and reduces certain alcohol, motor fuel, tobacco, and hazardous waste disposal discounts.

Present law provides for the levy of a tax upon the sale, use, consumption, handling, or distribution of all cigars, cigarettes, and smoking and smokeless tobacco in La.

Present law provides that the rate of the tax for cigars invoiced by the manufacturer at \$120 per 1,000 and or less shall be 8% of the invoice price and the rate of the tax for cigars invoiced by the manufacturer at more than \$120 per 1,000 shall be 20% of the invoice price.

Proposed law removes different rates based on invoice amounts and taxes all cigars at the same rate. Also, increases the tax on cigars invoiced by the manufacturer at \$120 per 1,000 or less from 8% of the invoice price to 40% of the invoice price and increases the tax for cigars invoiced by the manufacturer at more than \$120 per 1,000 from 20% of the invoice price to 40% of the invoice price.

Present law levies a tax on cigarettes at the rate of 36¢ per pack.

Proposed law increases the tax on cigarettes from 36¢ per pack to \$1 per pack.

Present law provides that the rate of the tax for smoking tobacco shall be 33% of the invoice price.

Proposed law increases the tax on smoking tobacco from 33% of the invoice price to 40% of the invoice price.

Present law provides that the rate of the tax on smokeless tobacco shall be 20% of the invoice price.

Proposed law increases the tax on smokeless tobacco from 20% of the invoice price to 40% of the invoice price.

Present law authorizes a discount of 2% of the amount of tax due on beverages of low alcoholic content in order to encourage accurate reporting and timely remitting the taxes due beverages of low alcoholic content. Further provides a discount of 3-~~2~~ % of the amount of tax due on beverages of high alcoholic content in order to encourage accurate reporting and timely remitting

the taxes due beverages of low alcoholic content.

Proposed law reduces the discount from 2% of the amount of the tax to 1% of the amount of the tax for the timely reporting and remitting of taxes on beverages of low alcoholic content.

Additionally, reduces the discount from 3- $\frac{1}{2}$ % of the amount of the tax to 1- $\frac{3}{4}$ % of the amount of the tax for the timely reporting and remitting of taxes on beverages of high alcoholic content.

Present law authorizes a discount of 1- $\frac{1}{2}$ % of the tax due on gasoline and diesel fuels for a supplier or permissive supplier who files a timely return and remits timely payment. However, this allowance shall not be deductible unless the supplier or permissive supplier allows a deduction of 1% to a purchaser with a valid distributor or importer license who timely files and pays such tax on or before the 22nd day of the month as required by present law.

Proposed law reduces the discount for suppliers and permissive suppliers from 1- $\frac{1}{2}$ % of the tax to $\frac{3}{4}$ of 1% of the tax due on gasoline and diesel fuels for the timely reporting and remitting of such taxes. Additionally reduces the deduction for licensed distributors or importers from 1% to $\frac{1}{2}$ of 1% who timely file and pay taxes on gasoline and diesel fuels.

Present law authorizes a discount of $\frac{1}{2}$ of 1% of the tax levied for the disposal and storage of hazardous waste as compensation for the administrative costs in accounting for timely filing and remitting such tax.

Proposed law reduces the discount from $\frac{1}{2}$ of 1% of the tax to $\frac{1}{4}$ of 1% of the tax for the timely filing and remittance of taxes for the disposal and storage of hazardous waste.

Present law requires the secretary of the Dept. of Revenue to allow wholesale tobacco dealers of other states who have a direct purchasing contract with a manufacturer and serving a trade area of retail dealers in this state to purchase La. stamps with benefit of discount; however, in no instance shall the discount be greater than the discount received by wholesale tobacco dealers in their state of domicile and further provided that regardless of the discount extended by other states, the discount shall not exceed 6%.

Proposed law reduces the amount of the discount for out-of-state wholesale tobacco dealers from 6% to 3%.

Present law requires every registered tobacco dealer receiving and handling cigars and smoking tobaccos in La. upon which the tax has not been previously paid shall, within 20 days after the expiration of each calendar month, file a report of the total amount of cigars and smoking tobaccos received and handled during the preceding month, and shall pay the taxes due. Further requires all out-of-state La. registered tobacco dealers to file a report disclosing all sales of cigars and smoking tobaccos in La. during the preceding calendar month, and shall pay the taxes due.

Present law authorizes a 6% discount for timely and accurately filing such report only on those purchases made by registered tobacco dealers in La. who have a direct purchasing contract with a manufacturer. Further authorizes the secretary to allow wholesale tobacco dealers of other states

serving a trade area of retail dealers in this state who have a direct purchasing contract with a manufacturer to sell in this state with the benefit of the discount; however, the discount shall not exceed the discount received by wholesale tobacco dealers in their state of domicile and further provided the discount shall not exceed 6%.

Proposed law retains present law but reduces the discount authorized for purchases made by registered tobacco dealers in La. who have a direct purchasing contract with a manufacturer from 6% to 3%.

Present law provides that cigarette tax stamps shall be sold to bonded registered La. tobacco dealers who have a direct purchasing contract with a manufacturer at a discount of 6% from the face value when purchased in quantities of not less than \$100 face value. Further requires the same discount to apply where metered stamping machines or devices are used.

Proposed law reduces the discount from 6% to 3%.

Effective if and when House Bill Nos. ___ of this 2013 Regular Session are enacted and become effective.

(Amends R.S. 26:345 and 354(D) and R.S. 47:818.22(A) and (B), 823(E), 841(A), (C), and (E), 843(B) and (C)(3), and 851(B)(2)(b); Adds R.S. 47:841(B)(6))